This free-market, Milton Friedman devotee, conservative Republican congressman will be voting strongly in favor of the $700 billion bailout for Wall Street. What, you ask? Has the California sun fried my last brain cell? No. I will vote for this bill because it will likely not cost anything, is n... This free-market, Milton Friedman devotee, conservative Republican congressman will be voting strongly in favor of the $700 billion bailout for Wall Street. What, you ask? Has the California sun fried my last brain cell?

No. I will vote for this bill because it will likely not cost anything, is not a bailout of anybody and will help every American with a bank account, a job or a retirement plan. It also will save the free market, not weaken it.

Allow me to explain.

The $700 billion figure so often mentioned will not be spent, but actually entirely invested with three different mechanisms to ensure that the taxpayers get all their money back.

First, these "troubled assets" will be purchased at less than the expected net present value of their cash flow. That means taxpayers should make a profit by holding them to maturity.

Second, taxpayers will get warrants to purchase stock in the companies from whom these assets are bought. That is more profit potential if the companies recover.

Third, whoever is president five years from now is required to offer to Congress a proposal to recover from these same companies any net loss incurred by the taxpayers to that point. No investment's return is certain, but this one looks pretty good. It for sure will not cost anything close to $700 billion over time.

Furthermore, you are not bailing out companies when you buy assets from them at 30%-60% of what they paid for the asset. That's a bath, not a bailout.

And they should take a bath. They made an investment decision, and it turned out to be a bad one, so they lose money. The purpose of the purchase plan is to create a market where one does not now exist and allow these companies to move that capital back into productive use in the economy. It is not giving them any kind of deal.

If this bill does not pass and Congress does nothing, Wall Street will suffer for sure. But so will everyone with a retirement plan as those values drop precipitously and their nest egg disappears.

Just imagine a whole week of days like Monday. People with bank accounts or money market funds may find their money inaccessible as the debt markets freeze over. And nonfinancial businesses that rely on short-term borrowing to meet payrolls and finance inventory spikes may be unable to get that credit, resulting in layoffs. In short, we all lose, whether we live in Manhattan or Peoria.

So has the free market failed us and that's why we need the government to take it over in this way?

No again. Free markets work. They are still working. They are rational. But on both sides of any free market transaction are two human beings who are subject to emotional behavior. The market cannot correct for overwhelmingly irrational behavior, whether that behavior is fear and panic or risk-ignoring exuberance.

When the short-term debt of some of the world's most profitable companies has no buyers, that is evidence of widespread fear bordering on panic. The objective of this bill is to remove the object of that fear, the bad mortgage-backed securities, from the market so that rational behavior will return.

In some ways, this bill is more of a free-market solution than other actions that have been taken. The government will not take over any companies here. Even the warrants will be nonvoting. No one will be compelled to sell the government their assets if they don't want to.

Even the "reverse auction" process of establishing pricing for the assets, where sellers submit bids to one buyer rather than the other way around, is a market-based pricing method.

Other ideas are out there to correct this problem. I have seen most of them. None has a better chance than this one to stabilize the credit and equity markets. Furthermore, no other plan has the broad base of political support that this plan has from leaders in both parties.

The credit markets in particular are too fragile. We cannot afford the time delay of starting over.

If we do not pass anything, I shudder to think of how bad things might get as that fear turns to full-fledged panic.

If we pass this plan, some banks and other companies will still fail. The world economy will still struggle and have problems for months if not years to come.

But markets will function again, and we will likely avoid the abyss. That will save our free-market economy, not jeopardize it. I hope and pray that at least 217 of my colleagues in the House of Representatives will see it that way on Friday.